

**UNITED STATES OF AMERICA**  
**Before the**  
**OFFICE OF THRIFT SUPERVISION**

In the Matter of )

**THE HOME BUILDING AND** )  
**LOAN COMPANY,** )  
Greenfield, Ohio (OTS No. 08107) )

Re: Order No. NE-06-03

Date: April 18, 2006

**STIPULATION AND CONSENT TO ISSUANCE OF**  
**AN ORDER OF ASSESSMENT OF CIVIL MONEY PENALTIES**

This Stipulation and Consent to Issuance of an Order of Assessment of Civil Money Penalties ("Stipulation"), which concerns the accompanying and above-referenced Order of Assessment of Civil Money Penalties (the "Order"), is submitted by **THE HOME BUILDING AND LOAN COMPANY**, Greenfield, Ohio (the "HOME BUILDING", OTS No. 08107), to the Office of Thrift Supervision ("OTS"), which is acting through its Northeast Regional Director ("Regional Director").

WHEREAS, the OTS, based upon information derived from the exercise of its regulatory responsibilities, has informed HOME BUILDING that the OTS is of the opinion that grounds exist to initiate administrative civil money penalty proceedings against HOME BUILDING pursuant to Section 8(i)(2) of the Federal Deposit Insurance Act (the "FDIA"), 12 U.S.C. § 1818(i)(2);<sup>1</sup>, and

WHEREAS, HOME BUILDING desires to cooperate with the OTS and to avoid the time and expense of such administrative proceedings; and

WHEREAS, HOME BUILDING, while admitting that the OTS has jurisdiction with respect to this matter (as addressed in Paragraph 1 below), neither admits nor denies (i) that the above-mentioned grounds exist, or (ii) the OTS Findings of Fact (in Paragraph 2 below).

NOW, THEREFORE, HOME BUILDING hereby stipulates and agrees to the following:

**1. Jurisdiction.**

(a) HOME BUILDING is a "savings association" within the meaning of 12 U.S.C. § 1813(b), and 12 U.S.C. § 1462(4). Accordingly, HOME BUILDING is an "insured depository institution" as that term is defined in 12 U.S.C. § 1813(c).

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<sup>1</sup> All references in this Stipulation and in the Order are to the United States Code as amended.

(b) Pursuant to 12 U.S.C. § 1813(q), the OTS is the "appropriate Federal banking agency" with jurisdiction to maintain administrative enforcement proceedings against savings associations. Therefore, HOME BUILDING is subject to the authority of the OTS to initiate and maintain administrative civil money penalty assessment proceedings against it pursuant to 12 U.S.C. § 1818(i)(2).

## **2. OTS Findings of Fact.**

HOME BUILDING is subject to an Order to Cease and Desist (the "C&D Order", No. NE-05-04, dated April 12, 2005). The C&D Order requires HOME BUILDING to do various things, including: (i) to comply with the various laws and regulations identified in Section 1 of the C&D Order, (ii) to enhance its program for compliance with the anti-money-laundering requirements of the Bank Secrecy Act and related laws and regulations ("AML Program"), and (iii) to develop, adopt, and implement a program for monitoring and obeying various "compliance" laws and regulations. Although HOME BUILDING took various actions in response to the C&D Order, it nevertheless failed to comply fully with various requirements of the C&D Order. This is in view of the following:

- Although HOME BUILDING developed and adopted an amended AML Program, as required by Section 2 of C&D Order, that amended AML Program continued to have various weaknesses that interfered with HOME BUILDING's obligation to adopt and implement an AML Program that "will effectively ensure the Savings Association's compliance with requirements of the BSA Laws and Regulations and the terms of [the C&D] Order"; and
- HOME BUILDING failed to timely comply with Section 5 of the C&D Order, because it failed to implement in a timely manner an appropriate and effective written Compliance Management Program incorporating the six "SMAART" components identified in the C&D Order.

In addition, during the period covered by the most recent OTS Report of Examination, HOME BUILDING had offered credit life and disability insurance to its loan customers. Before it discontinued such activity, HOME BUILDING had failed to properly provide certain required disclosures contrary to 12 C.F.R. §§ 536.40(a) and 536.40(b).

## **3. Consent.**

(a) HOME BUILDING hereby consents to the issuance by the OTS of the Order.

(b) HOME BUILDING further agrees to comply with the terms of the Order upon its issuance. HOME BUILDING further stipulates and agrees that the Order complies with all requirements of law, as applicable.

#### **4. Finality.**

The Order is issued by the OTS under the authority of Section 8(i)(2) of the FDIA, 12 U.S.C. § 1818(i)(2). Upon the issuance of the Order by the OTS, acting by and through its Regional Director for the Northeast Region (which term also shall refer to the Regional Director's authorized designees), the Order shall be a final order, effective and fully enforceable by the OTS under the provisions of Section 8(i) of the FDIA, 12 U.S.C. § 1818(i).

#### **5. Waivers.**

HOME BUILDING hereby waives the following:

- (i) The right to be served with a written notice of the OTS's charges;
- (ii) The right to an administrative hearing of the OTS's charges concerning the basis for issuance of the Order;
- (iii) The right to seek judicial review of either the Order, including, without limitation, any such right provided by 12 U.S.C. § 1818(h), or otherwise to challenge the validity of the Order; and
- (iv) Any and all claims against OTS, including its employees and agents, and any other governmental entity for the award of fees, costs, or expenses related to this OTS enforcement matter and/or the Order, whether arising under federal statutes (*e.g.*, the Equal Access to Justice Act, 5 U.S.C. § 504, or 28 U.S.C. § 2412), under common law, or otherwise.

#### **6. Other Government Actions Not Affected.**

HOME BUILDING acknowledges and agrees that its consent to the issuance of the Order does not release, discharge, compromise, settle, dismiss, resolve, or in any way affect any actions, charges against, or liability of HOME BUILDING that arise pursuant to this action or otherwise, and that may be or have been brought by any other government entity other than the OTS.

#### **7. Miscellaneous.**

(a) The laws of the United States of America shall govern the construction and validity of this Stipulation and of the Order.

(b) The Board of Directors of HOME BUILDING has duly authorized HOME BUILDING to execute this Stipulation, to consent to the Order, and to make payment of the civil

money penalties assessed by the Order. HOME BUILDING is submitting herewith a certified copy of said duly adopted board resolutions.

(c) All references to the OTS in this Stipulation and the Order shall also mean any of the OTS's predecessors, successors, and assigns.

(d) The section and paragraph headings in this Stipulation and the Order are for convenience only, and such headings shall not affect the interpretation of this Stipulation or the Order.

(e) The terms of this Stipulation and of the Order represent the final written agreement of the parties with respect to the subject matters thereof, and constitute the sole agreement of the parties with respect to such subject matters.

(f) This Stipulation and the Order shall remain in effect until terminated, modified, or suspended in writing by the OTS, acting through its Director, Regional Director, or other authorized representative. The Order, however, will terminate automatically at 11:59 pm on the date on which the United States Government receives full payment of the civil money penalty assessed by the Order (in the manner required by the Order).

**WHEREFORE**, HOME BUILDING executes this Stipulation, intending to be legally bound hereby.

**THE HOME BUILDING AND  
LOAN COMPANY**

By:                     /S/                      
Dane E. Iseman  
President

Date: April 12, 2006

Accepted by:  
**OFFICE OF THRIFT SUPERVISION**

By:                     /S/                      
Robert C. Albanese  
Regional Director

Date: See the date in the caption hereof

**UNITED STATES OF AMERICA**  
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In the Matter of )

**THE HOME BUILDING AND** )  
**LOAN COMPANY,** )  
Greenfield, Ohio (OTS No. 08107) )

Order No. NE-06-03

Date: April 18, 2006

**ORDER OF ASSESSMENT OF CIVIL MONEY PENALTIES**

**WHEREAS, THE HOME BUILDING AND LOAN COMPANY** ("HOME BUILDING", OTS No. 08107), Greenfield, Ohio, has executed a STIPULATION AND CONSENT TO THE ISSUANCE OF AN ORDER OF ASSESSMENT OF CIVIL MONEY PENALTIES ("Stipulation"); and

**WHEREAS, HOME BUILDING**, by its execution of the Stipulation has consented and agreed to the issuance of this ORDER OF ASSESSMENT OF CIVIL MONEY PENALTIES ("Order") by the Office of Thrift Supervision ("OTS"), pursuant to Section 8(i)(2) of the Federal Deposit Insurance Act, 12 U.S.C. § 1818(i)(2).<sup>1</sup>

**NOW THEREFORE, IT IS ORDERED that:**

**1. Assessment of Civil Money Penalties.**

Within ten (10) calendar days of the Effective Date of this Order, HOME BUILDING shall pay the civil money penalty assessed hereby in the sum of Fifteen Thousand Dollars (\$15,000.00), by tendering to the Office of Thrift Supervision a certified check (or bank draft) in said amount made payable to the order of the Treasurer of the United States. HOME BUILDING, using a reputable overnight delivery service, shall send (i) the above-required certified check (or bank draft), (ii) a cover letter referring to this Order and (iii) a copy of this Order, to the following address: Controller's Division, Office of Thrift Supervision, 1700 G Street, N.W., Washington, D.C., 20552. On the same day HOME BUILDING sends the payment to the OTS's Controller's Division, it also shall send, by postage prepaid U.S. Mail, a copy of the certified check (or bank

<sup>1</sup> All references to the United States Code (U.S.C.) are as amended.

draft) and the related cover letter to Steven A. Rosenberg, Esq., Office of Thrift Supervision, Harborside Financial Center Plaza Five, Suite 1600, Jersey City, New Jersey 07311.

**2. Stipulation Incorporated.**

The Stipulation is made a part hereof and is incorporated herein by this reference.

### 3. Effectiveness of Order.

This Order is and shall become effective on the date it is issued (the "Effective Date"), as is shown in the caption hereof.

## OFFICE OF THRIFT SUPERVISION

By: /S/  
Robert C. Albanese  
Regional Director, Northeast Region